

Exhibit 23

Corporate Compliance Quarterly Report to Board of Directors 1Q10

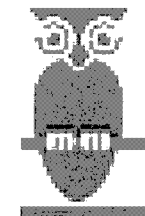
**May 6, 2010
Bert Weinstein
Vice President, Corporate Compliance**



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Agenda

- Purdue's CIA
 - 4/1 - OIG signed-off on year 2 Annual Report
 - 3/9 - OIG Freedom Of Information Act request
- Federal & State Law Update
- Hotline Calls and Other Inquiries
- Compliance Audits
- Important Compliance Developments
- Comparison of Purdue's compliance program with features of Recent CIAs

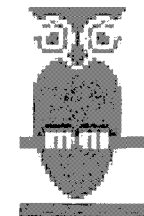


OIG Communications

April 1st OIG Sign-Off on CIA Second Annual Report

Based on OIG's review of Purdue's second Annual Report submitted 9/25/09 and additional information requested by OIG:

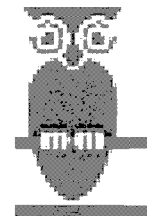
"it appears that Purdue was in compliance with the terms of the Corporate Integrity Agreement (CIA) between the Office of Inspector General (OIG) of the Department of Health and Human Services and Purdue during the second annual reporting period."



OIG Communications

Freedom Of Information Act Request (FOIA)

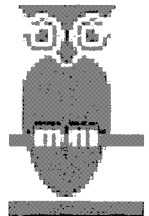
- OIG March 9th letter notification of Public Citizen request under FOIA for copies of Purdue's CIA Annual Reports
- Purdue's March 31st reply to OIG stated the legal arguments to OIG for denial of production of confidential and non-public business information
- Awaiting further OIG action



CIA- Sales Promotion Monitoring – 1Q10

Purdue's CIA requires review of Field Contact Reports (FCRs) with a compliance category rating of "1," indicating less than 100% compliance with Sales SOPs

- 709 FCRs were prepared during 1Q10 / 76 FCRs (11%) had a "1"
- 11 of the FCRs required more complete Compliance review
 - Two representatives terminated in 1Q10 for multiple violations including:
 - Failure to perform administrative tasks
 - Failure to record call notes on calls with HCPs
 - Improper promotion including improper comparative statements or failure to distribute current FPI on calls
 - 5 representatives found in possession of discontinued materials



CIA- Sales Promotion Monitoring – 1Q10

For Purdue's CIA, in year 3, 7/31/09-7/30/10:

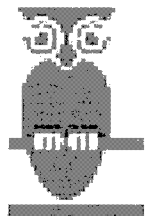
- Purdue's district managers must complete 1840 FCR days to satisfy the minimum requirement of 5 days per representative
- 35 FCR days remain to be completed by a limited number of representatives
- A total of 2665 FCR days have actually been completed (i.e., many representatives have had more FCR days than required by Purdue's CIA)



CIA Medical Services Monitoring – 1Q10

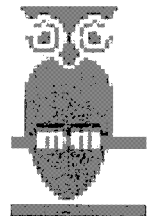
Purdue's CIA requires review of certain HCP inquiries to our Medical Services department arising out of sales representative referrals (reflects OIG's general concern for off-label or improper promotion)

- During 1Q10 there were a total of 3427 Inquiries received by Medical Services concerning *all products*
 - 1330 of these inquiries concerned OxyContin and Ryzolt, the "Covered Products" during CIA year 3
 - 67 of the inquiries fell into the CIA specified categories
 - 38 of these inquiries require review (not yet completed)



Federal & State Law Update

- Federal Physicians Sunshine Act *passed*
- Will require pharma and device companies to report all spend Company-wide on HCPs and “teaching hospitals” nation-wide, on a public website, starting in 2013 for calendar year 2012
- Any individual spend over \$10, or \$100 annually, for gifts, food, entertainment, travel, honoraria, research funding/grants, education/conference funding, consulting fees, ownership or investment interests, educational literature to be reported
- Plus non-public reporting to HHS of sampling activity
- Federal pre-emption weak – more stringent state laws expected
- Purdue has an IT system project underway to capture Sunshine Act spend and reporting, as well as state law requirements, Company-wide



Federal & State Law Update

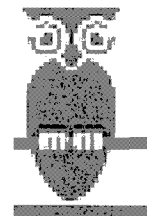
- Reminder: Massachusetts and Vermont gift and meal restrictions apply to all Purdue employees, and Board members
 - May provide gifts and meals to MA and VT-licensed HCPs with whom you have ***personal relationships***
 - Otherwise:
 - **Vermont** - ban on meals with VT-licensed HCPs regardless of locale
 - **Massachusetts** - meals provided to MA-licensed HCPs must be *in the HCP's office or a hospital setting*, and must be *accompanied by an "informational presentation"*
 - Meals less than \$50/person/event - not reportable
 - Applies to meals in or out-of-state, whether or not expensed to Purdue
- Minnesota State Spending Report timely filed 4/29
 - Full compliance with \$50 rep limit; 2 consultancies



Hotline Calls and Other Inquiries 1Q10



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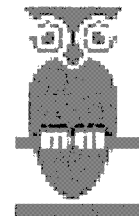


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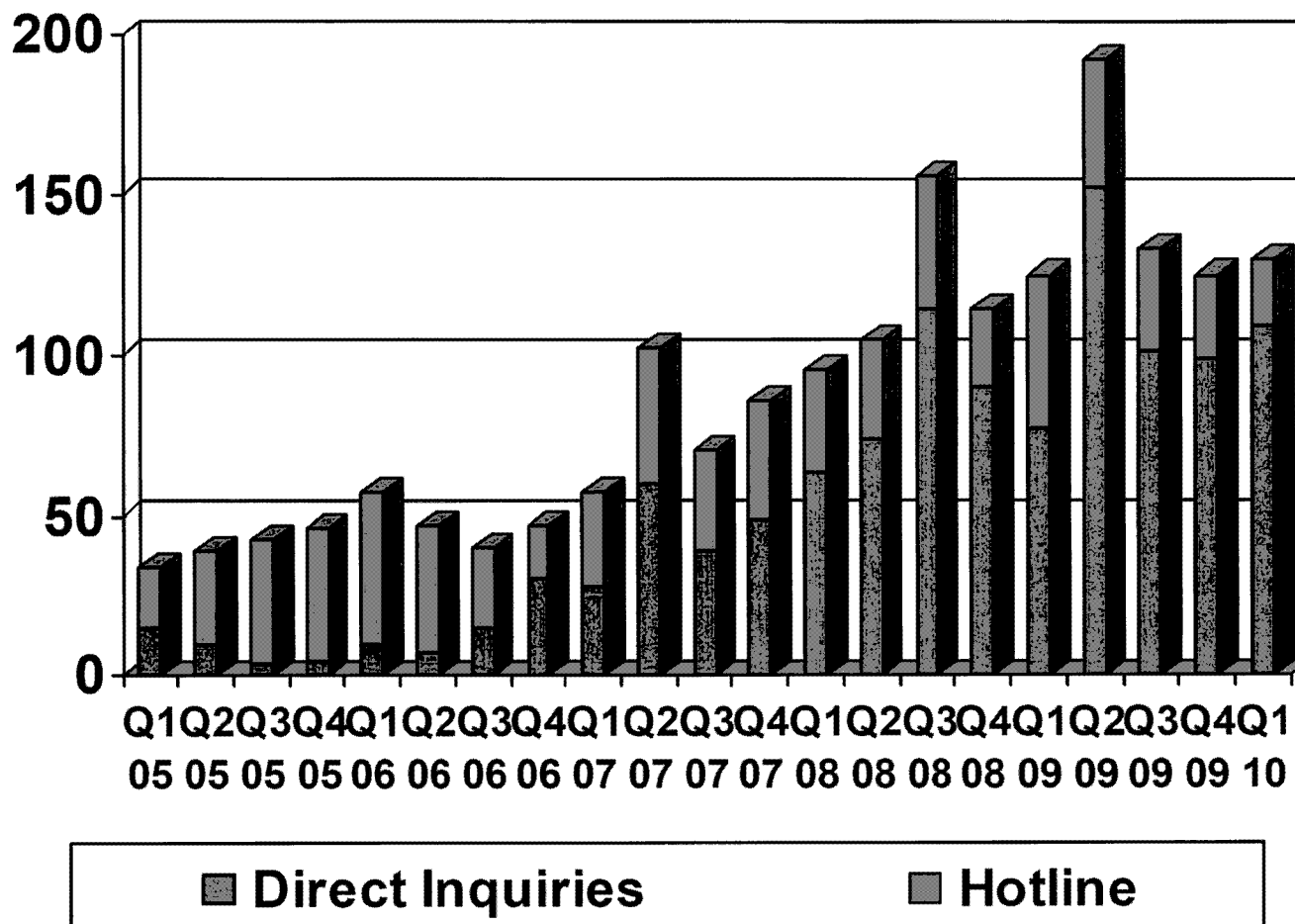
Hotline and Other Inquiries 4Q09

Compliance had 130 “matters” in 4Q09, including:

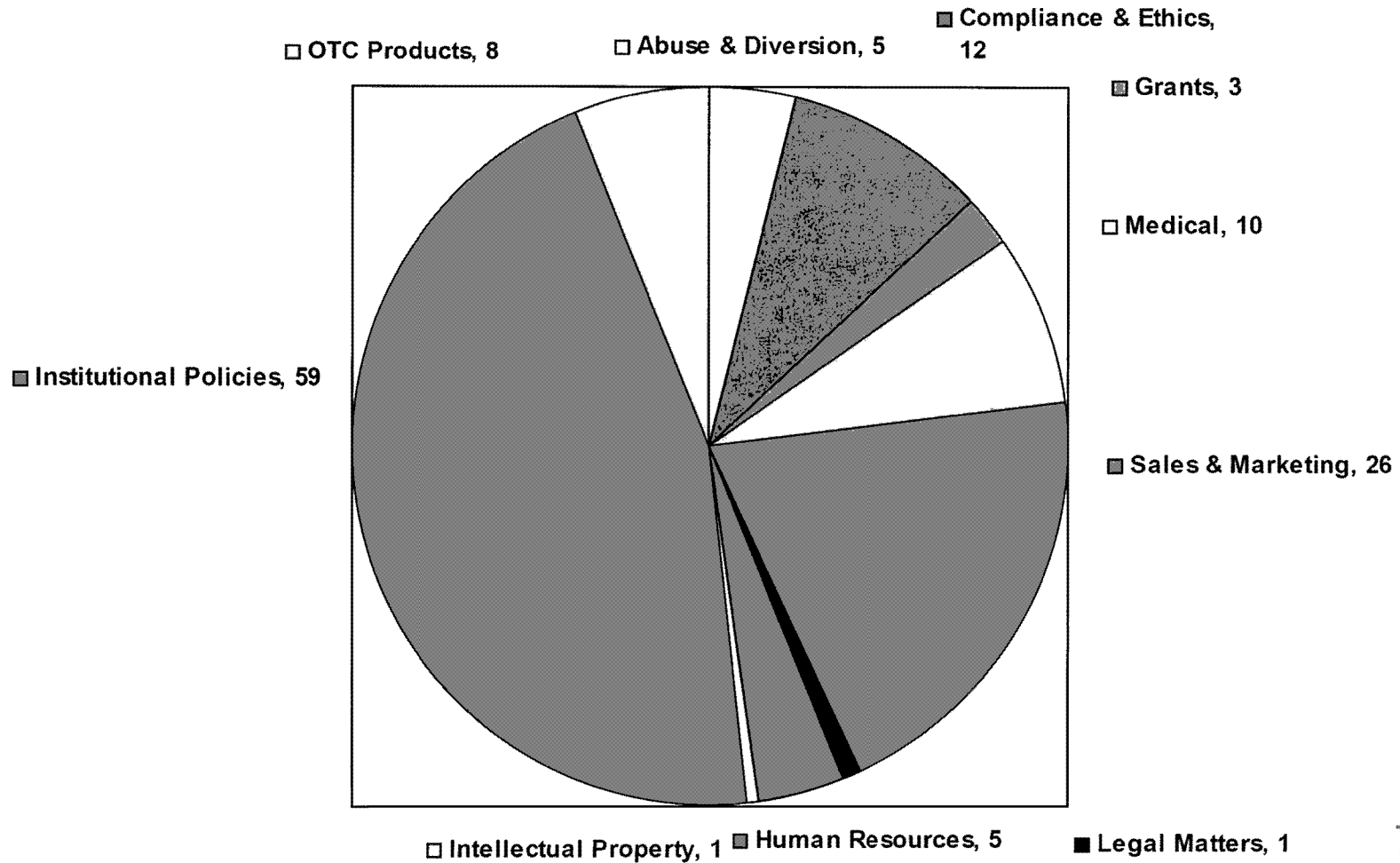
- 85 Sales and Marketing matters relating to promotion, marketing materials, gifts, meals, CIA compliance, and grants (59 requests from sales representatives seeking review of Institutional Policies)
 - There are a few open sales investigations into representative call notes concerning potential improper promotion
- 14 employee inquiries reporting potential conflicts of interest, seeking guidance



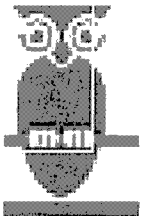
Inquiries by Quarter (1Q05 – 1Q10)



1Q10 Compliance Inquiries



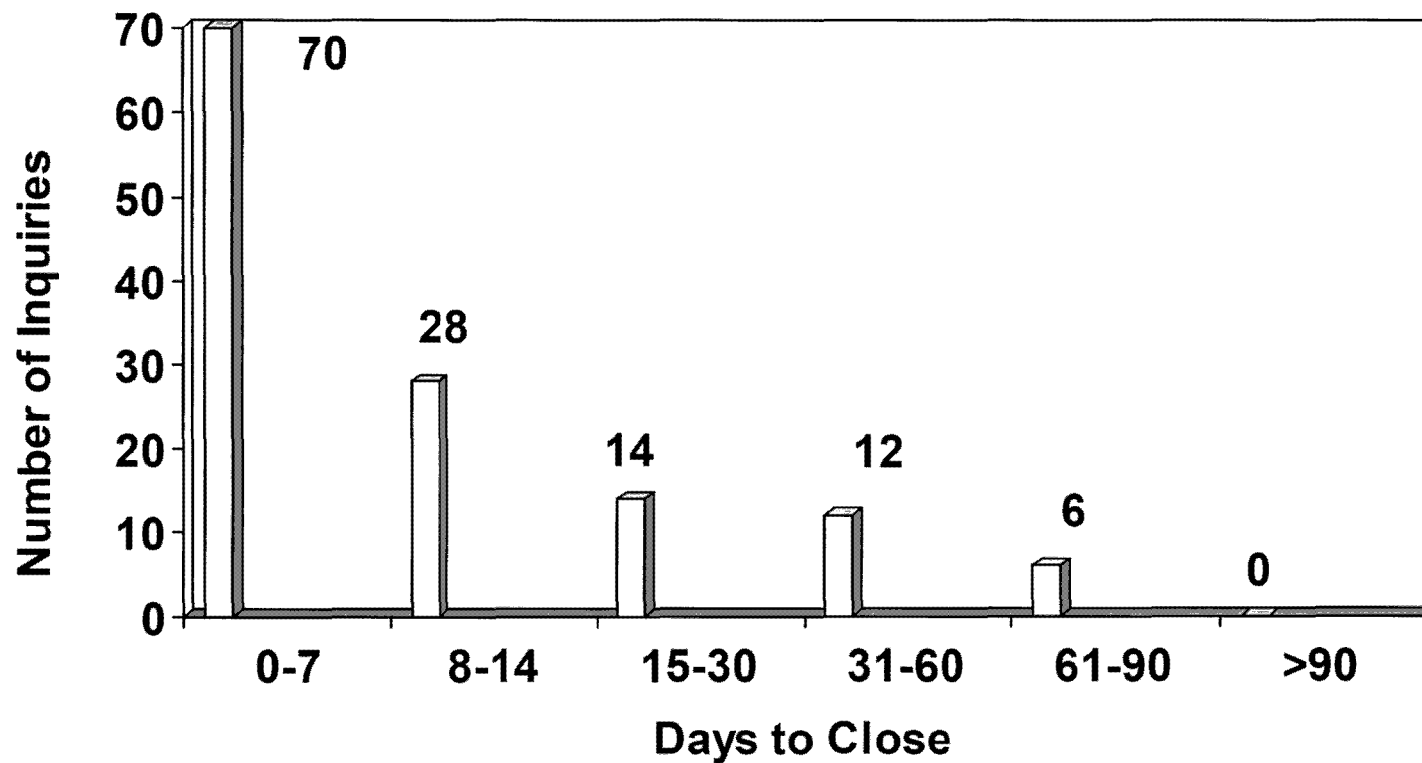
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Inquiry Response Time

Days to Close Inquiries 1Q10 (as of 4/27/10)



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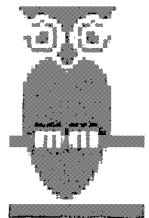
Compliance Audits

- Audit of Contracts Database - to determine compliance with data entry requirements for contracts in the Contracts Database, a storage system to electronically track all Purdue contracts created by the Office of the General Counsel. Out of the sample reviewed, all required data was entered accurately 92% of the time. Action plan for improvement is ongoing.
 - Why important? Federal Physicians Sunshine Act data source
- Audit of Handling of Protected Health Information – to confirm safeguards in place to secure confidential employee information. Concluded there is minimal to no risk associated with the controls and procedures in place for handling protected health information of employees under HIPAA.



Important Compliance Developments

- Members of Congress, DOJ, FDA, and OIG officials continue to speak publically about criminal prosecution of individuals
- Exclusion provision in healthcare reform legislation
- OIG Chief Counsel raising product divestitures or loss of exclusivity for repeat CIAs
- DOJ Foreign Corrupt Practices Act “Initiative”
- Novartis announced a \$397 million settlement for off-label promotion of Trileptal in February
- AstraZeneca announced a \$520 million settlement and CIA April 27th for off-label promotion of Seroquel
- In March a federal jury awarded Kaiser \$142 million under RICO anti-racketeering laws for Pfizer promoting anti-seizure drug, Neurontin, off-label; this in the wake of \$430 million CIA in 2004



How Does Purdue Compare?

During the Compliance Report to the Board in October, we were asked to consider augmenting Purdue's compliance program with additional features contained in OIG's most recent CIAs.

The chart on the following page shows the extent to which Purdue is already "ahead of the curve."



Recent CIA Compliance Requirements

CIA Requirement	Cephalon 9/08	Lilly 1/09	Pfizer 8/09	Purdue 7/07
Board Certifications	X	X	X	
Exec./Emp. Certifications	X	X	X	Y
Disclose Educ. Grants and Charitable Donations		X	X	
Disclose of HCP Payments	X	X	X	Y
Monitor Off-Label Requests	X	X	X	X
Compliance Ride-Alongs	X	X	X	Y
Field Supervisor Monitoring			X	X
Speaker Program Monitoring	X		X	Y
Call Note / Sales Record Reviews			X	Y
Monitor Publications			X	Y
Review "Verbatims"	X	X	X	
Risk Analyses & IRO Reviews	X	X	X	X
OIG "Wildcard" IRO Reviews			X	

X = CIA Requirement

Y = Purdue voluntarily doing

